

NOV 23 2005

UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL FUELS

Electricity, Delivery and Energy Reliability

In the matter of:

Sempra Energy Trading Corp.

)

Docket No.

EA-191-BAPPLICATION OF SEMPRA ENERGY TRADING CORP.
FOR AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY
TO CANADA

Sempra Energy Trading Corp., f/k/a AIG Trading Corporation ("SET"), pursuant to Section 202 (e) of the Federal Power Act, 16 U.S.C. 824a(e), and 10 C.F.R. § 205.300, et seq., hereby files its Application to renew its authority to transmit electric energy from the United States to Canada, for a term of an additional five years.

In support of this application, Applicant represents as follows:

(a) **Legal name of Applicant:**

The exact legal name of the Applicant is Sempra Energy Trading Corp.

(b) **Legal name of all partners:**

SET is a wholly owned subsidiary of Sempra Energy Solutions, which, in turn, is wholly owned subsidiary of Sempra Global. Sempra Global is a wholly owned subsidiary of Sempra Energy.

(c) **Persons to whom correspondence in regard to this Application shall be addressed:**

Michael A. Goldstein, Esq.
Senior Vice President & General Counsel
Sempra Energy Trading Corp.
58 Commerce Road
Stamford, CT 06902
(203) 355-5510
FAX: (203) 355-5410

(d) **State of incorporation:**

SET is incorporated in Delaware, and is currently authorized to do business and is in good standing in the following states and Canadian provinces: Arizona, British Columbia, California, Connecticut, Delaware, Georgia, Idaho, Indiana, Kentucky, Louisiana, Manitoba, Maryland, Massachusetts, Mississippi, New Jersey, New York, North Carolina, Oklahoma, Ontario, Oregon, Pennsylvania, Rhode Island, Saskatchewan, South Carolina, Texas, West Virginia.

(e) **Government agencies having jurisdiction:**

The U.S. Department of Energy (the "Department"), Office of Fossil Energy, is the sole agency having jurisdiction over the action to be taken in this Application. See Federal Power Act, Section 202(e), 16 U.S.C. §824a, Department of Energy Delegation Order No. 0204-127 (54 FR 11436-05).¹

(f) **Description of transmission facilities:**

SET has previously been authorized to transmit electric power to Canada as a power marketer over existing cross-border facilities between the United States and Canada. . See, *Sempra Energy Trading Corp.* FE Docket No. EA-191-A (January 19, 2001). SET seeks authority in this Application to continue to transmit electric power to Canada to the facilities described in Exhibit C to this Application. Exhibit C provides the location of the facilities, their Presidential Permit Numbers, and other identifying information. SET will comply with the terms and conditions contained in the export authorizations issued for those cross-border facilities as

¹ SET has been authorized by the Federal Energy Regulatory Commission to make sales of electric power at wholesale in interstate commerce, at market-based rates. *AIG Trading Corporation*, Letter Order issued in Docket No. ER94-1691-000 (January 19, 1995), *reh'g denied* 71 FERC ¶ 61,148 (1995). However, sales to be undertaken by SET pursuant to the authorization requested herein would be in foreign commerce, rather than in interstate commerce

well as other export limitations that the Department may deem appropriate for those facilities, consistent with other Department orders authorizing electricity exports by power marketers.²

(g) **Technical discussion of proposed export of energy:**

SET is engaged in the marketing of wholesale electric power as a power marketer, and seeks authority to transmit electricity as a power marketer over existing cross-border facilities described in Exhibit C. SET has no electric power supply system of its own on which its exports of power could have a reliability or stability impact. SET's only supply obligations are those for which it has contracted. The electric power that will be exported pursuant to the requested export authorization, whether on a firm or an interruptible basis, will be surplus to the system of the generator of such power. In addition, since SET does not own transmission facilities, SET does not have the native load obligations of those entities holding franchised services territories. Thus, the exports proposed herein by SET will not impair the sufficiency of power in the United States nor will the transaction impede or tend to impede in the regional coordination of electric utility planning or operation.

In its previous orders granting export authorization to electric power marketers, the Department has indicated its reluctance to follow a rigid application of the information filing requirement contained in its regulations in the context of applications by power marketers.³ The Department has taken a flexible approach in determining the information necessary to evaluate

² See, e.g., *Enron Power Marketing, Inc.*, FE Docket No. EA-102 (Feb. 6, 1996) (authorization to export to Mexico); *Destec Power Services, Inc.*, FE Docket No. EA-113 (May 31, 1996) (same); *ProMark Energy, Inc.*, FE Docket No. EA-155 (January 23, 1998) (authorization to export to Canada).

³ See, e.g., *Enron Power Marketing, Inc.*, FE Docket No. EA-102 at p. 5 ("DOE never has applied the information filing requirements contained in its regulations in a rigid manner."); *Destec Power Services, Inc.*, at p.3 (same).

the reliability for a specific market⁴ and has held that existing technical analysis support the present authorizations to export power through designated international border transmission. SET respectfully requests that the Department continue to apply this standard during review of the instant Application and grant SET the same benefits accorded to other electric power marketers.

Additionally, SET agrees to comply with all reliability criteria, standards, and guidelines of the North American Electric Reliability Council and Regional Councils, on such terms as expressed therein, and as such criteria, standards, and guides may be amended from time to time.

(h) **Verification:**

The signed Verification of Louis A. Santore, Director – Trading Operations of SET, is attached to this Application.

(i) **Procedure:**

This Application is consistent with the North America Free Trade Agreement (1993) and United States energy policy which would foster a more efficient and competitive North American energy market.

SET requests authority for export transactions through specified border facilities even though specific transactions have not yet been negotiated. The Department has, however, granted export authority to similarly situated power marketers, and SET agrees to abide by the general conditions set forth in the Department's previous orders authorizing power marketers to export power. *See, e.g., See, e.g., Coral Power, L.L.C.*, FE Docket No. EA 212 (August 26, 2002).

In accordance with 10 C.F. R. § 205.303, the following exhibits are attached hereto and made part hereof:

⁴ *See, e.g., Coral power, L.L.C.*, at p.2 ("DOE has always used a flexible approach in determining the information necessary to evaluate reliability impacts for specific export proposals.").

Exhibit A Not applicable

Exhibit B Legal Opinion of Sempra Energy Trading Corp.'s Associate Counsel

Exhibit C Transmission Facilities (Submitted in lieu of Maps)

Exhibit D Not Applicable

Exhibit E SET is a wholly owned subsidiary of Sempra Energy Solutions, which, in turn, is wholly owned subsidiary of Sempra Global. Sempra Global is a wholly owned subsidiary of Sempra Energy.

Exhibit F Not Applicable

Pursuant to the requirement of 10 C.F.R. § 205.309, a copy of this Application is being provided to:

Federal Energy Regulatory Commission
Office of the Secretary
888 First Street, N.E.
Washington, DC 20426

Wherefore, in consideration of the foregoing, Sempra Energy Trading Corp. respectfully requests expeditious approval of this Application for Authorization to Transmit Electric Energy to Canada.

SEMPRA ENERGY TRADING CORP.

By: 

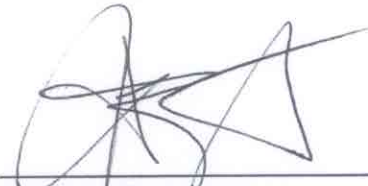
Louis A. Santore, Director – Trading Operations
58 Commerce Road
Stamford, CT 06902
Tel: 203-355-5601
Fax: 203-355-5630

Dated: November 15, 2005

VERIFICATION


STATE OF CONNECTICUT)
) ss:
COUNTY OF FAIRFIELD)

Louis A. Santore, being duly sworn, states that he is the Director – Trading Operations of Semptra Energy Trading Corp.; that he is authorized to execute this Verification; that he has read the above and foregoing document and is familiar with the contents thereof; and that all allegations of fact therein contained are true and correct to the best of his knowledge and belief.



Louis A. Santore

Sworn to me this 16th day
of November, 2005.



Notary Public

Marilyn D. Waite
NOTARY PUBLIC
State of Connecticut
My Commission Expires 7/31/07

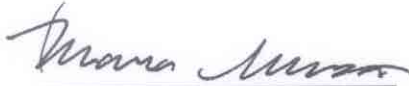
Exhibit B

Legal Opinion of Sempra Energy Trading Corp.'s Associate Counsel

Legal Opinion

The following is given in support of the Application of Sempra Energy Trading Corp. ("SET") for Authorization to Transmit Electric Energy to Canada, dated November 15, 2005

- (1) I am an attorney at law, authorized to practice law in the State of New York.
- (2) I am employed as a Vice President and Associate Counsel at SET.
- (3) SET is incorporated in Delaware, and is currently authorized to do business and is in good standing in the following states and Canadian provinces: Arizona, British Columbia, California, Connecticut, Delaware, Georgia, Idaho, Indiana, Kentucky, Louisiana, Manitoba, Maryland, Massachusetts, Mississippi, New Jersey, New York, North Carolina, Oklahoma, Ontario, Oregon, Pennsylvania, Rhode Island, Saskatchewan, South Carolina, Texas, West Virginia.
- (4) SET has full corporate power and authority to buy, sell or act as a marketer in the sale and exportation of electric energy as requested in the Application.
- (5) SET will comply with all pertinent Federal and state laws.



Marcia Greenblatt
Vice President and Associate Counsel

Exhibit C

Transmission Facilities (Submitted in lieu of Maps)

Exhibit C

Transmission Facilities (Submitted in lieu of Maps) UNITED STATES INTERCONNECTIONS WITH CANADA

Owner	Location	Voltage	Presidential Permit
Basin Electric	Tioga, ND	230 kV	PP-64
Bonneville Power Authority	Blaine, WA	2-500 kV	PP-10
	Nelway, WA	230 kV	PP-36
	Nelway, WA	230 kV	PP-46
Citizens Utilities	Derby Line, VT	120 kV	PP-66
Detroit Edison	St. Clair, MI	345 kV	PP-38
	Maryville, MI	230 kV	PP-21
	Detroit, MI	230 kV	PP-21
	St. Clair	345 kV	PP-58
Eastern Main Electric Co-op	Calais, ME	69 kV	PP-32
Joint Owners of Highgate Project	Highgate, ME	69 kV	PP-82
Long Sault, Inc.	Massena, NY	2-115 kV	PP-24
Maine Electric Power Co.	Houlton, ME	345 kV	PP-43
Maine Public Service Co.	Limestone, ME	345 kV	PP-12
	Fort Fairfield, ME	69 kV	PP-12
	Arookstook Co., ME	138 kV	PP-29
	Madawaska, ME	2-69 kV	PP-29
Minnesota Power and Light Co.	International Falls, MN	115 kV	PP-78
Minnkota Power	Roseau, MN	230 kV	PP-61
New York Power Authority	Massena, NY	765 kV	PP-56
	Massena, NY	2-230 kV	PP-25
	Niagara Falls, NY	2-345 kV	PP-74
	Devils Hole, NY	230 kV	PP-30
Niagara Mohawk Power Corp.	Devils Hole, NY	230 kV	PP-31
Northern States Power	Red River, ND	230 kV	PP-45
	Roseau County, MN	500 kV	PP-63
Vermont Electric Transmission Co.	Norton, VT	450 kV (DC)	PP-76